

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of Robert C. Slane )

Application No. 09/453,364 )

Group Art Unit: 3627

Filed: December 1, 1999 )

Examiner: Andrew J. Fischer

Title: Establishing and Managing Grantor  
Retained Annuity Trusts Funded By  
Non Qualified Stock Options )Commissioner for Patents  
Washington, D.C. 20231

## AMENDMENT UNDER 37 CFR § 1.111

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Sir:

DEC 10 2002

Please amend this application as set forth below.

GROUP 3600

In the claims:

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Please amend claim 1 as follows:

1.(twice amended) A method for minimizing transfer tax liability of a grantor for the transfer of the value of nonqualified stock options to a family member grantee, the stock options having a stated exercise price and a stated period of exercise, the method performed at least in part within a signal processing device and comprising:

establishing a Grantor Retained Annuity Trust (GRAT);

funding said GRAT with assets comprising stock options, the stock options having a determined value at the time the transfer is made;

setting a term for said GRAT and a schedule and amount of annuity payments to be made from said GRAT; and

performing a valuation of the stock options as each annuity payment is made and determining the number of stock options to include in the annuity payment.